



Phumelela Gaming and Leisure Limited

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Notice to affected persons

30 September 2020

REPORT IN TERMS OF SECTION 132(3)(a) and (b) OF THE COMPANIES ACT 71 OF 2008 (AS AMENDED) ("the Act')

Dear Sir/Madam,

PHUMELELA GAMING AND LEISURE LIMITED (IN BUSINESS RESCUE) (REGISTRATION NUMBER 1997/016610/06) ("the Company")

REPORT IN TERMS OF SECTION 132(3)(a) and (b) OF THE COMPANIES ACT 71 OF 2008 (AS AMENDED) ("the Act')

1. The proposed business rescue plan was adopted by creditors on 1 September 2020.
2. The BRP has since that date proceeded to implement the business rescue plan, including, *inter alia*, to:
 - 2.1. continue to trade the business and that of its subsidiaries;
 - 2.2. proceed to finalise the audit of its financial statements for the year ended 31 July 2020;
 - 2.3. adjudicate the claims of creditors. This process is time consuming and ongoing;
 - 2.4. negotiate the long form sale agreements for the sale of the Horse Racing business and the sale of Betting World;
 - 2.5. engaged and continue to engage with parties who have expressed an interest in acquiring assets of the company;
 - 2.6. meet with the management, attend boards meetings and shareholder meetings of subsidiary and investee companies;
 - 2.7. conduct extensive investigations and consults with many witnesses in regard to Gold Circle's claim to own 39% of the issued share capital of PGI (Phumelela Gold International Limited);
 - 2.8. prepare for a potential arbitration against Gold Circle hereon;
 - 2.9. create and operate the Plan Fund (as defined in the business rescue plan);

- 2.10. proceed to collect the company's debtors;
- 2.11. receive dividends from PGI;
- 2.12. engage with the Johannesburg Stock Exchange regarding the future of the company and continuation or not of its listing.

3. Distributions to creditors

- 3.1. Distributions will be paid to creditors in accordance with the provisions of the business rescue plan.
- 3.2. Creditors are required to submit claims in respect of all amounts due to them. Once received the claims will be reconciled to the companies records and thereafter adjudicated by the business rescue practitioner.
- 3.3. Creditors whose claims have been reconciled, adjudicated and accepted will receive formal notice of acceptance of their claim.
- 3.4. It appears that some claims may be rejected and may need to be resolved in terms of the dispute resolution process set out in the business rescue plan.
- 3.5. Distributions will only be paid to creditors whose claims have been submitted, reconciled, adjudicated and accepted.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J. Evans', with a long horizontal flourish extending to the right.

JOHN EVANS

Duly signed in his capacity as business rescue practitioner of the Company.